

NYE-DT 9

**ANALYST AND NEWS COVERAGE OF THE OCTOBER 25, 2019
ANNOUNCEMENT OF STEVE KEENAN’S RESIGNATION FROM APACHE¹**

- **Credit Suisse:** “Mr. Keenan moved from EOG to APA in 2014 as Regional VP of Unconventional Resources and subsequently oversaw the discovery of the Alpine High play, which has been an economic disappointment for investors (at least partly due to depressed natural gas and NGL prices). Nonetheless, since APA unveiled the play in September 2016, its shares have underperformed global E&Ps by >30%, likely a cause for Mr. Keenan’s resignation. ... While Mr. Keenan’s exact role in Suriname is not clear (APA claims the resignation is not connected to the exploration prospect) ...”
- **RBC Capital Markets:** “Based on our conversation with APA, as of the resignation date, the company had not reached the target objective at the Maka-1 prospect and the resignation was related to other matters. They further indicated that there is a team in place and the work has been accomplished with regards to the more than dozen prospects in the Suriname region. Mr. Keenan was a major part of the team that discovered the Alpine High play that has been a significant investment for APA. However, we think the outcome of results from Alpine High have not met high expectations and due to weakening natural gas and NGL prices, we expect that APA could allocate activity away from Alpine high in favor of oilier targets in other parts of the Permian. The Maka-1 exploration well spud around 9/23/2019 and we are currently expecting the company to have results by mid-November.”
- **SunTrust Robinson Humphrey:** “Apache’s stock underperformed this morning (down ~5.5% vs. XOP up ~1 %) on investor speculation that a SVP’s resignation (See Link) is linked to an upcoming unsuccessful Suriname Maka-1 exploration well in Block 58. We do not believe the departure is linked to results of the well as it does not appear that the well has reached its target formation yet. Faron Thibodeaux is the SVP in charge of Suriname while the departed SVP was a part of the team that discovered Alpine, which has been been [sic] disappointing with investors given the weak returns due to the high gas nature.
- **We anticipate Apache will soon signal a strategic shift away from Alpine High** and toward higher oil cut regions such as the Midland Basin and Egypt, though we are unlikely to see full 2020 guidance. We will look for color surrounding the company’s ongoing seismic shoot in the Western Desert in APNs Egypt position, multiple development pads in the Midland Basin, and a

¹ The excerpts herein appear in paragraphs 38 and 39 of Dr. Nye’s August 11, 2023 Reply Report in this matter. Footnotes 144-148 of the Reply Report contain complete references to each of cited and quoted materials.

timing update on the first Suriname Block 58 well on the upcoming earnings release.”

- **Reuters:** “Oil and gas industry veteran Steven Keenan, who was credited with a high-profile shale discovery for Apache Corp, resigned on Wednesday from his position as senior vice president of worldwide exploration, the company said on Friday ... Keenan has overseen the company’s exploration operations, unconventional resources technology team and operations in the Delaware basin since joining Apache five years ago. Keenan is widely credited with the Alpine High find in West Texas in 2016. When Alpine High was discovered Apache’s shares spiked as much as 14% with Chief Executive Officer John Christmann calling it a ‘world class resource’. However more recently Alpine High has struggled due to lower gas prices, with the company saying it would reassign capital expenditure to other areas.”
- **Bloomberg News:** “Not long after [Steven Keenan] joined Apache, the company announced its Alpine High discovery in a little-drilled corner of the Permian Basin in West Texas. At the time, the company said the play held 3 billion barrels of crude and 75 trillion cubic feet of gas.

But Apache’s stock has underperformed rival producers since it first touted the Alpine High find, which turned out to be far richer in gas than more valuable crude.”